MEDPAC Medicare Payment Advisory Commission

MEETING BRIEF

November 15-16, 2001

Paying for outpatient interventional pain management procedures

ISSUE: Do Medicare's policies impose barriers on the provision of interventional pain management procedures in physicians' offices, hospital outpatient departments (HODs), and ambulatory surgery centers (ASCs)? Are Medicare's payment policies for these services consistent across these different ambulatory settings? The Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 asked MedPAC to report on the barriers to payment and coverage for outpatient pain management procedures.

KEY POINTS: We found no hard evidence that beneficiaries face barriers in accessing outpatient interventional pain services (which include facet joint blocks, epidural injections, and trigger point injections). The volume of these services has generally kept pace with the growth of physician services.

Payment rates for some interventional pain services vary greatly by outpatient setting. In MedPAC's draft response to the Congress, staff propose that the Commission reiterate our March 1999 recommendation that the Secretary evaluate payment for services provided in HODs, ASCs and physicians' offices to ensure that financial incentives do not inappropriately affect decisions regarding where care is provided. Other payment issues discussed in MedPAC's draft response include:

- The Centers for Medicare and Medicaid Services (CMS) has delayed rebasing ASC payments and updating the list of procedures approved for payment when performed at ASCs. Staff propose that the Commission recommend that the Secretary update these ASC payment policies.
- Physician practice expense allocations for interventional pain services are, on average, lower than the rates paid to ASCs and HOPDs. We do not know if payments are not adequate or if the cost of providing these services in offices is lower than the cost of providing these services in facilities. It is too soon to tell whether CMS's action to recognize pain management as a specialty will change the practice payment allocation for interventional pain services. Staff propose that the Commission recommend that the Secretary recalculate practice expense payments for interventional pain services when data become available on the practice expenses of physicians specializing in pain management.

Local coverage policies made by Medicare's contractors vary between areas. Some of this variation stems from the lack of evidence in the scientific literature about the use of interventional pain services. To address this issue, staff has drafted a recommendation that the Secretary pursue research about the effectiveness of interventional pain services to strengthen the evidence basis of Medicare's coverage decisions. Finally, we reiterate our draft recommendation made in our December report on reducing regulatory complexity to move to a standard nationwide system of claims processing and eliminate local descriptions of policy and regulation.

A detailed analysis of issues related to the payment and coverage of interventional pain procedures are set forth in the attached draft report authored by Project HOPE Center for Health Affairs.

ACTION: Commissioners should discuss the tone and findings set forth in the attached letter and the five draft recommendations. This report is due to the Congress December 21, 2001.

STAFF CONTACT: Nancy Ray (202-653-2638), Kevin Hayes (202-653-2632).